



MARKET RECAP REPORT 7/22/2020

Sector Leaders

REITS

Precious Metals

Housing

Stock Gainers

FBRX 18%

LAD 15%

AUPH 11%

KTOS 10.8%

CALX 10.4%

AG 10%

OLLI 9.5%

Volatility Gainers

- FE
- LINC
- KTOS
- DGLY
- BTG
- HOME

High Call Volume

- FE
- KTOS
- CALX
- MIK
- AMTD
- JAZZ

Bullish Options

- DG
- NVDA
- SBUX
- ADI
- FE
- AMD
- LVS
- PINS
- JAZZ
- KTOS
- ROKU

Market Review: Stocks were a bit lower overnight and in the pre-market with rising concerns of stalling recoveries while some positive developments continue on the vaccine front. Stimulus efforts also a focal point while earnings season in the US has started off better than expected. Stocks were unable to gain any ground in the morning session, another unusual day with strength in REITS, Precious Metals, and Housing. Energy and Banks continued to lag but Tech also showed more profit taking into earnings season. The S&P continues to consolidate above the recent June high breakout with a focus on the active earnings schedule the next two weeks and also Flash PMI reports Friday as an indication of the economic recovery.

S&P Chart:



| Resistance | Support |
|------------|---------|
| 3,235 | 3,110 |
| 3,260 | 3,025 |
| 3,325 | 2,965 |

Options Action Trends: Calls were hot early in Semiconductors **AMD, NVDA, ADI**.

What's On Tap: Jobless Claims and KC Fed. Earnings from INTC, T, DHR, UNP, APD, KMB, EW, BX, TRV, CTAS, TWTR, HSY, STM, SWKS, VRSN, CTXS, WST, DGX, LUV, TSCO, NUE, POOL, ENTG, PNR and more.

Trade Tracker Portfolio Changes:

- 1) **Earnings Flow Trades:** Long T Aug. \$30/\$28 Put Spreads \$0.55; Long LVS Sep. \$50/\$55/\$57.5 Call Fly's at \$1.20
- 2) Closed **KO** Call Spreads \$1.45 (Opened \$1.10)

Sector Laggards

Energy

Banks

Biotech

Stock Losers

FE -22.5%

KC -10.7%

NEOG -9%

SNAP -8.8%

ALT -8%

NKLA -7.4%

PUMP -7%

Volatility Losers

- CSTM
- CALX
- OMI
- SNAP
- COF
- TER

High Put Volume

- FE
- WU
- VNO
- HZNP
- BBY
- CTAS

Bearish Options

- PENN
- MDT
- WB
- BZUN
- PTON
- MYL
- BBY
- OKTA
- FHB
- PCG
- TMUS



FEATURED OPTIONS RADAR REPORT



Smart Money Sees BioNTech as COVID Vaccine Winner

Ticker/Price: BNTX (\$92)

Analysis:

BioNTech SE (BNTX) a German Biotech company with shares +160% this year as it takes part in the recent for a COVID-19 vaccine that has shown positive early results, partnered with Pfizer (PFE). BNTX announced on 7/10 it expects its vaccine to be ready for approval by December and can produce several hundred million doses before approval and 1 billion by the end of 2021. BNTX has caught the eye of institutional option traders with selling of 2000 December \$110 calls and 1000 December \$125 calls while buying 2000 March \$95 calls, 1000 March \$100 calls and 2000 March \$125 calls, positioning around an approval event. BNTX has recently made a parabolic move with other vaccine names seeing promising data and its rising 8 EMA been very supportive, currently at \$81.70 which aligns with a volume shelf, the first area to be a buyer followed by 21 MA and retest level at \$70.50. BNTX has decades of groundbreaking research in immunology, cutting-edge therapeutic platforms and a suite of patient profiling and bioinformatic tools to develop immunotherapies for cancer and other diseases. It leverages powerful new therapeutic mechanisms and exploit a diverse array of biological targets to harness the power of each patient's immune system to address the unique molecular signature of each patient's underlying disease. BNTX is uniquely positioned to develop and commercialize the next generation of immunotherapies with the potential to significantly improve clinical outcomes for patients and usher in a new era of individualized medicine. BNTX has a development pipeline of over 20 product candidates, of which 12 have entered into 13 ongoing clinical trials. Its most advanced programs are focused on oncology, where it has treated over 500 patients across 17 tumor types to date. BNTX's immunotherapy candidates span four distinct drug classes: mRNA Therapeutics, Cell Therapies, Antibodies, and Small Molecule Immunomodulators. Analysts have an average target of \$65 and short interest has risen to 3.28M shares into its rally. BAML recently upgraded to Buy with a \$105 target, seeing the COVID program having multiple key catalysts this year. Canaccord raised its target to \$97 on positive developments.

Hawk Vision:



Hawk's Perspective: BNTX has been the name most in my focus as quality and not as speculative as the MRNA/INO types, so definitely eyeing entry if pulls into those rising moving averages.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Starbucks Call Accumulation into Quarterly Update

Ticker/Price: SBUX (\$76.40)

Analysis:

Starbucks (SBUX) bullish flows again today with buyers of 1250 September \$75 calls for \$4.35 to \$4.70, same spot where buyers were active yesterday, and tons of short-term call buying this week ahead of earnings on 7-28. SBUX has size in the September \$67.50, 72.50, and \$75 short puts while the August \$72.50 short puts also popular in late June. The October \$70 calls had over \$1.3M bought on 6/23 as well. Shares are starting to work out of a multi-week rounded base and back above its 21- and 55-MA today with room back to \$80 and the 200-MA. SBUX rallied up to \$83.50 after the March bottom and run higher targets \$90-\$95 from earlier in 2020. The \$88.4B company trades 28.6X earnings and 3.3X sales with a 2.2% yield. SBUX trades cheap relative to FY22 sales expectations with a rapidly growing loyalty program and strong footprint in growing global markets. SBUX has been at the forefront of digital advancements in the QSR space and likely posts strong numbers as their model sets up well for a hybrid takeout/delivery environment during COVID-19 while they'll get late-quarter tailwinds from some store re-openings. SBUX noted in March they were seeing higher average ticket sales with the digital ordering, so they can likely absorb some fall in traffic. Their focus on China likely also sees positive growth with their recently expanded partnership with Alibaba (BABA) and their biggest rival Luckin Coffee's (LK) massive fraud scandal and store closures. Analysts have an average target for shares of \$83. Wells Fargo starting at Buy this week with a \$92 PT noting that the company's suite of digital data gathering, one-to-one marketing, and innovation capabilities position it to address and capitalize on new consumer behaviors. Short interest is 1.5%. Hedge fund ownership rose 5.8% in Q1. Pershing Square adding 4.6M shares and now with over 10.1M total.

Hawk Vision:



Hawk's Perspective: SBUX built out its Technology well to withstand the pandemic and is one of the stronger positioned names, so I think it works higher out of this base and targets the 200 MA near-term.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



Large Trade Sees LiveRamp Moving Higher

Ticker/Price: RAMP (\$46.25)

Analysis:

LiveRamp (RAMP) with 1,975 December ITM \$30 calls adjusting out to February \$30 calls that open for \$17.35, one of the largest trades on the day in a name that sees minimal activity. RAMP shares with a big weekly trend breakout in May and been consolidating in a nice range after a bullish 55/200 MA cross, and a move above \$48 targets \$53. RAMP is a global technology company with a vision of making it safe and easy for companies to use data effectively. It provides a best-in-class enterprise data connectivity platform that helps organizations better leverage customer data within and outside their four walls. LiveRamp enables companies and their partners to better connect, control, and activate data to transform customer experiences and generate more valuable business outcomes. It sees tailwinds from growing data usage, complexity increasing, fragmentation, marketing waste and security/privacy concerns. The \$3.1B Company currently trades 5.5X EV/Sales with revenue growth of 29.8% and 33.2% the last two years and nearing profitability. Analysts have an average target of \$54 and short interest trending down to 4.3% of the float. Needham started shares Buy in December with a \$67 target looking for margin expansion and LiveRamp as a key enabler in allowing markets to deliver targeted advertisements across devices and channels amid accelerating omnichannel marketing demand. Craig Hallum started shares Buy with a \$65 target earlier this month seeing new products validating leadership in identity management and calls RAMP the "king of data." Hedge Fund ownership rose 9% in Q1 filings, Jackson Square a notable top holder added to its position.

Hawk Vision:



Hawk's Perspective: RAMP has a great set-up here versus that 55 MA and the name looks cheap as a Software name with solid growth.

Confidence Ranking: \$\$



FEATURED OPTIONS RADAR REPORT



AIG Put Sellers Active Seeing Worst in Rearview Mirror

Ticker/Price: AIG (\$32)

Analysis:

AIG (AIG) bullish flows today looking long-term with 1500 February \$25 puts sold to open for \$1.96 and 1,000 January 2022 \$23 put sold for \$3.15. Put sales have been popular lately with activity in the Jan. 2022 \$30s, Jan. 2021 \$30s, and Jan. 2022 \$25s. AIG has seen call buyers recently in the August \$34 and Aug. \$32 strikes as well as the September \$33 calls. Shares have lagged the broader market during the Summer rebound but setting up nicely with a rounded base above the 50-MA with upside back to the 200-MA at \$40.50. The \$27.9B insurance leader trades 7.13X earnings, 0.54X sales and less than 0.5X book with a 4% yield and strong ROE. AIG has fallen out of favor with concerns over COVID-19 claims, hurricane season, and damage from the recent protests but AIG positioned a lot better than peers given reunderwriting efforts, reduction in limits in the property book, and a significant cut in multi-year policies which locked in lower prices for longer terms. AIG also noted in June at the MSCO financial conference they started using more reinsurance to manage risk on the balance sheet and derisked their investment portfolio significantly over the last three years. AIG reports on 8-3 and shares higher four of the last five. Analysts have an average target for shares of \$43. Citi out on 7-14 with an interesting note suggesting the only way to unlock value in the name could be a split given concerns over their L&R credit risk. RBC lowering estimates in May but noting that long-term AIG's favorable GI margins and pricing trends can act as an offset to near-term pressures, with cost savings programs also set to continue. Short interest is 1.8%. Hedge fund ownership rose marginally in Q1. Insiders active in May buying stock with a director adding 20,000 shares at \$24.10, a more than \$480K investment.

Hawk Vision:



Hawk's Perspective: AIG with a nice coiled flag above the recent 55 MA breakout, setting up well. The reward/risk looks good into August earnings.

Confidence Ranking: \$\$

Additional Options Flow

Market/ETFs

MLP Index (AMJ) unusual 3900 September \$14 calls with buyers this morning

China (FXI) opening sale 7500 February \$39 puts \$1.88

S&P (SPY) morning buyer 6000 October \$278 puts \$4.37 to \$4.39. **SPY** Nov/Dec \$342 call calendar spreads opening, popular strategy lately

NASDAQ (QQQ) collars opening 7500X at September \$268/\$261. **QQQ** trade sold 1000 September 2021 \$265 puts to open for \$30.10, another large trade is opening 7000 December 2022 \$240/\$340 call spreads

China Internet (KWEB) with 2,000 August \$63 puts bought for \$1.50 to open today, group weak today with the growing US/China tensions

Silver (SLV) now with October \$24/\$29 call spreads 10,640X after March \$25/\$35 call spreads 10K this morning. **SLV** buyers also active 14,000 Nov. \$23 calls today. **SLV** now also with 10,000 September \$21 puts sold to open for \$1.72 in a stock replacement. **SLV** also with 5000 August 28th (W) \$22 calls bought \$0.95

Russell (IWM) opening sale 3000 September \$148 puts for \$7.18. **IWM** with 15,000 December 2021 \$105 puts bought for \$5.92, tied to stock

Gold (GLD) today with 10,000 October \$178/\$195 call spreads opening, and 5000 of the \$165 puts sold \$2.12 to open

Consumer Discretionary/Services

Adtalem (ATGE) unusual 850 August \$35 calls opening \$2.75 to \$2.80

Lincoln Educational Services (LINC) unusual volume today with 1000 August \$5 calls bought from \$1.30 to \$2.00, small-cap that offers career-oriented post-secondary services and stock has run after a positive update this week on attendance. **LINC** interesting note that 90% of their career-prep education is focused on areas that have been designated as 'essential workers' so even with a second wave they could be a longer-term winner versus peers

Penn (PENN) buyer 3750 August \$28 puts for \$1. **PENN** now also with 1,475 ITM August \$30 calls bought \$7.35 to \$7.50

Las Vegas Sands (LVS) another 2,000 December \$55 calls bought \$3.55 to \$3.75 into earnings tonight

Melco (MLCO) more bull flows today with 1,000 September \$15 puts sold for \$1 to open in a stock replacement

Comcast (CMCSA) buyer 5000 Aug \$47 OTM calls \$0.20 to \$0.23

Michael's (MIK) buyer of 4000 September \$7.50/\$10 call spreads for \$0.59 debit, very narrow range recently for the name and could see some tailwinds from the re-openings and new management looking to drive better margin performance in 2021

K12 (LRN) strong run lately and 500 August \$45 puts sold to open today for \$4.10 to \$4.00, willing to own stock into a shallow pullback

ActiVision (ATVI) buyers 1500 January \$85 calls \$6.25 to \$6.55 today, on OI checks for tomorrow

MGM with 5000 July 31st (W) \$16/\$14 put spreads opening for 7-30 earnings

Zynga (ZNGA) with 2000 January \$9 puts sold to open for \$0.80, name with a lot of upside call buying this year with tailwinds from the shutdown

Take-Two (TTWO) the March \$170 calls being bought 675X up to \$12.90, developer with some of the biggest potential franchises coming in their long-term pipeline. **TTWO** Mar calls up over 1370X now

Carnival (CUK) with 2800 February \$7.50 puts sold to open today \$1.30

American Eagle (AEO) with 20,000 November \$10 calls bought for \$1.70 as the \$12 calls roll back in strikes

NY Times (NYT) aggressive buyers of 3,900 August \$43 puts up to \$1.70 into 8-5 earnings

Consumer Goods

Kroger (KR) buyers 1800 August \$34.50 calls early after size ITM calls bought yesterday

Dollar General (DG) bull flow again with 850 Aug. 7th (W) 4192.50 calls bought \$4.30 to \$4.60, seeing a lot of peers raise guidance

Revlon (REV) unusual 1000 November \$12.50 calls bought \$0.85 to \$0.95 today, note in the Blitz recently that Ron Perelman's company is looking to shed some assets and they're a major holder of REV

Peloton (PTON) buyer 500 January \$75 puts to open \$20.50 to \$20.65. **PTON** 1650 Aug 7th (W) \$63 puts sold to open \$3.70

Digital Ally (DGLY) shares and IV pop with another 2,500 August \$3.50 calls bought around \$0.80

Wal-Mart (WMT) with 14,000 September \$145 calls sold today, most of them trading as ratio call spreads with 6000 of the \$135 calls active

Alpha Pro Tech (APT) with the February \$25 calls bought up to \$5.90 today to open, over 925X, with plenty of drivers for increase PPE and mask usage

Energy

Bloom Energy (BE) ramp in IV this afternoon with buyers active in the August \$21 calls from \$1.80 to \$2.25, over 1250X

Financials

Wells Fargo (WFC) buyers of 6,150 August \$31 OTM calls for \$0.24 to \$0.25 early with shares nearing a base breakout

Western Union (WU) buyers 2000 August \$23 calls \$0.75 offer, also 2500 of the \$21 puts sold

Equitable (EQH) consolidating under 200 MA and unusual 6000 August \$22.50 calls hot with buyers \$0.35 to \$0.60

Green Dot (GDOT) opening sellers of 540 December \$40 puts for \$3.00 to \$2.95 to open, popular strategy in the name which has quietly been very strong

KKR (KKR) 3075 August \$35 calls opening \$1.91, the \$32 adjusting

Square (SQ) strong chart set-up, earnings 8-5, seeing 1900 September \$130 calls active with size buys this morning, will confirm OI tomorrow

Capital One (COF) with 600 March 2021 \$55 puts sold to open for \$6.65 in a stock replacement after results today

First Hawaiian (FHB) with 1500 August \$17.50 puts bought \$1.20 to \$1.80 into strength, earnings on 7-24

AON (AON) a quality Financial seeing 385 January \$210 calls open \$14.20 to \$14.75. **AON** January calls up over 845X on the day

SVB Financial (SIVB) with 550 August \$270 calls sold to buy the \$200/\$180 put spread for a net \$2.70 into earnings tomorrow afternoon

Blackstone (BX) into earnings with 1000 January 2022 \$65 calls opening \$5.11 as January \$50 adjust

Healthcare

Horizon Pharma (HZNP) with 485 November \$60 calls bought \$7.40 to \$7.90 with the positive note this morning from Piper, sees Tepezza as a potential multi-billion dollar franchise. **HZNP** now with 1500 August \$60 puts sold to open \$3.40, confidence in a top name

Jazz Pharma (JAZZ) strong up 4% after FDA approval news this morning, interesting spreads selling 500 December \$130 calls and buying the March \$110 calls

Cardinal (CAH) strategist opens 1,000 July 31st (W) / August 7th (W) \$58 call calendar spreads this morning into earnings on 8-6

Medtronic (MDT) with 885 August 28th (W) \$89 puts bought \$1.31 today ahead of 8-25 earnings

GW Pharma (GWPH) buyer 300 September \$140 straddles which leans bearish Delta

Mylan (MYL) buyer 5600 August \$14 puts \$0.19

Neurocrine (NBIX) with 1000 September \$140 calls sold for \$4.10 to open, similar to call sales yesterday in the name

Lab Corp (LH) with 1500 August \$195 calls opening \$9.89 ahead of DGX earnings, and it reports 7-28, adjusting the \$170 calls

Intra-Cellular (ITCI) with 1,500 August \$35 calls sold to buy the \$18/\$13 put spread. **ITCI** buyer 1000 Aug \$40 calls \$1 now

Boston Scientific (BSX) with 1,000 November \$35 puts sold for \$1.64 in a stock replacement

Syneos Health (SYNH) with 600 August \$55 puts sold to buy the \$65/\$70 call spread for a net \$0.90 into 8-6 earnings, strong history

Merck (MRK) opening sale 1000 June 2021 \$70 puts \$4.60 to \$4.55

Industrials

Kratos (KTOS) with 5,000 August \$20 calls bought \$0.75 to \$0.80 with IV rising this morning, earnings 7-30 and working out of a base today. **KTOS** rally this morning on speculation about interest from **LMT**, note the pre-market comments from the latter CEO looking for deals.

LKQ (LKQ) with 6600 November \$37.50 calls sold to open for \$0.45

General Electric (GE) opening seller 4500 July 31st (W) \$8 puts for \$1.01

Woodward (WWD) seller 500 January \$110 OTM calls \$3.20 in a buy-write

Boeing (BA) with 1000 ITM August \$172.50 calls opening \$18, earnings 7-29

Tesla (TSLA) 2850 August \$1360/\$1340 bull put spreads a popular trade into earnings

Nio (NIO) buyer 5000 November \$7 puts \$1.18

Fortive (FTV) front-month IV rising here with 1200 August \$70 calls bought \$4.10 to \$4.30, earnings 7-28, coiled under 2020 upper value range

Carrier (CARR) with 3200 short September \$22.5 calls part of a buy-write adjusting to \$28 strike

Materials

Ball (BLL) higher with **SLGN** strong report in Metal containers, seeing 3000 August \$72.50 calls open \$3 to \$3.10, adjusting short \$67.5 calls

Hecla (HL) buyer 1500 January \$5 puts \$1.01

Pan American Silver (PAAS) with 1000 January 2022 \$40 calls bought \$9.40 to \$9.90

Dow (DOW) with 1000 January 2022 \$42.50 puts sold to open for \$8.70

Constellium (CSTM) opening sale 2500 August \$9 puts \$0.50

Teck (TECK) buyers of 2000 November \$12 calls opening \$1.15 to \$1.18

Tech and Telecom

Zoom (ZM) seeing 6250 weekly \$270 calls hot with speculative near-term positioning

Fire-Eye (FEYE) buyers active 13,500 weekly \$13.50 calls

Analog Devices (ADI) with another 1600 December \$125 calls bought \$6.40 to \$6.70

Advanced Micro (AMD) buyer 2500 August \$59 calls here \$4.50 offer and now up to 4500X with a buy at \$4.55. **AMD** also with 2500 September \$60 calls bought \$5.35 to \$5.70. **AMD** opening sale of 1000 Oct. \$60 puts at \$5.95 now

Roku (ROKU) interesting trade this morning as shares flag, the Aug. 7th (W) \$180 far OTM calls bought 1000X \$5.20 to \$5.25, earnings 8-5

Pinterest (PINS) buyer of the November \$28 calls for \$2.96, 750X, as the \$20 calls roll up in strikes ahead of earnings on 7-31. **PINS** now with 10,000 November \$26 calls bought up to \$3.75

Wix (WIX) with 900 August \$320 calls sold to open \$5.90, likely stock holder writing versus position

Weibo (WB) with 2000 next week \$34 puts bought \$0.95 to \$1

DocuSign (DOCU) buyer 400 January \$185 puts for \$22.95, stock tied

EXLSERVICE (EXLS) rarely with options action and a long-time favorite name consolidating under its 200 MA, a seller of 300 January \$65 puts today at \$7.50 to open

JD.com (JD) sale of 2500 January \$57.50 puts into weakness \$5.45 bid

ST Micro (STM) with 2,000 September \$30 puts sold to open today for \$1.85, name which has seen a lot of upside call buys lately into earnings tomorrow

Corning (GLW) buyers active today for 1,600 November \$33 calls for \$1.17 to \$1.20, earning next week 7-28

Twitter (TWTR) moving higher with earnings tomorrow morning as 2000 Aug. 7th (W) \$38 calls are bought to open here

Amazon (AMZN) buyer of 200 June 2022 \$3700 calls for \$8.8M

Pinduoduo (PDD) with 1000 January \$65 puts sold to open into weakness \$5.55

T-Mobile (TMUS) with 2500 November \$120/\$100 bear risk reversals opening at \$3.35, also 1500 September \$90 puts sold \$1.15 to open

Seagate (STX) buyer 3000 next week \$51.50 calls for \$1.20

Zoom (ZM) buyer 5000 August \$270 calls \$13.25 to open

Uber (UBER) seeing 10,000 December \$45 calls sold to open down to \$1.03, also Aug. 7th (W) \$35 calls active with opening sales 9000X

Slack (WORK) with 2175 March \$38 calls sold to open \$4.15

Tencent Music (TME) opening sale 2250 January \$16 puts \$1.93

Crowd-Strike (CRWD) with 350 March \$90 puts sold to open \$12.05, popular strategy with the name

Spotify (SPOT) afternoon buyer of 400 January 2022 \$330 calls to open at \$63, \$2.5M purchase

Snap (SNAP) the September \$24/\$29 call spread bought for \$1.16 this afternoon to open, 3400X. **SNAP** call spreads that traded earlier also include sales of the Sept. \$21 puts for \$1.06 to \$1, over 3750X

TI (TXN) with 3350 September \$120 puts sold to open for \$2.47 today

Utility

First Energy (FE) with 3000 January \$30 calls opening into weakness up to \$3. **FE** also 2500 lot of Oct \$29 calls bought \$3.30 and volume there up to 3700X

PG&E (PCG) with 10,000 August 28th (W) \$9.50 straddles sold for \$1.26 to buy the December \$9 puts for \$1.17

American Electric (AEP) with 1000 January \$95 calls sold to open \$2.90 to \$2.85

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Not Investment Advice or Recommendation

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